

ASX ANNOUNCEMENT

Option Secured to Acquire Premium Graphite Tenements

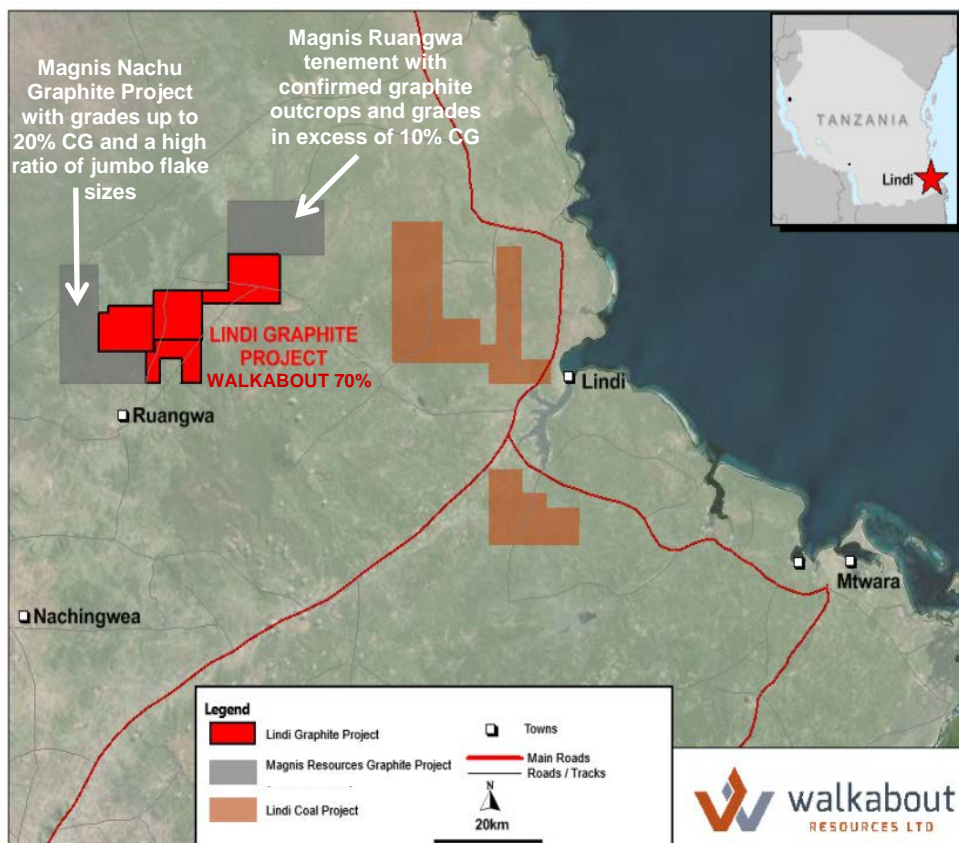
Highlights

28 October 2014

- Walkabout has secured a 28 day Option to execute a staged purchase of 70% holding in 4 Prospecting Licences contiguous to Magnis Resources Ltd (ASX:MNS) world-class graphite project at Nachu in south eastern Tanzania.
- At Nachu, Magnis has previously announced Carbon in Graphite (CG) grades up to 20% over widths of +10m and with up to 56% of the deposit hosting Jumbo flake size (+300 microns) material.

Overview

Walkabout Resources Ltd (ASX:WKT) is pleased to advise that it has secured an option to Joint Venture with a Tanzanian mineral rights holder for a 70% stake in four Prospecting Licences contiguous to the Nachu graphite licence and Ruangwa graphite licence of Magnis Resources Limited (formerly known as Uranex Limited).



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Managing Director of Walkabout, Allan Mulligan commented, *“These tenements are located at a world class graphite address. We know there are many graphite projects currently available to investors but those deposits that may have the product quality that can support a profitable mining operation should prove more important than building tonnage inventories. These licences are located in an area known for wide intersections, +20% CG grades and a huge proportion of Jumbo (+300mm) flake sizes*.”*

Mulligan further commented, *“This market has determined that Junior Explorers need to constantly re-invent themselves. Whilst Walkabout remains committed to pursuing its development strategy at our 7 billion tonne Takatokwane Coal Project, we believe that exploring these potential commercial-quality graphite licences is an opportunity that must be followed up.”*

The licences are contiguous to, and located between the two project areas of Magnis Resources (ASX:MNS) in the Ruangwa area in south eastern Tanzania, and are 75km from the Port of Lindi. The Nachu Project has consistently demonstrated above average grades, widths and flake sizes with grades of up to 20% CG across widths of more than 10m*.

(*Reference: MNS Releases to ASX 7, 10 & 15 Oct 2014).

Term Sheet Detail

Walkabout has signed a 28 day option period to earn in to 70% of the licences and if, after the period, decides to execute the option, \$50,000 is payable upfront. Further progress payments are made annually and are:

- 1 year anniversary - US\$100,000 per licence that the Company agrees to proceed with, payable by 50% in cash and 50% in shares in WKT at a price equivalent to the 14 day VWAP prior to the payment date.*
- 2 Year anniversary - US\$150,000 per licence that the Company agrees to proceed with, payable by 50% in cash and 50% in shares in WKT at a price equivalent to the 14 day VWAP prior to the payment date.*
- 3 Year anniversary - US\$250,000 cash payable per licence that the Company agrees to proceed with.*

Following the Option Period, the Parties will execute an MOU as per the terms listed above.

Allan Mulligan – Managing Director
+61 8 6298 7500 (T) allanm@wkt.com.au